

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1984-04
Bill No.: Truly Agreed and Finally Passed SCS for HB 801
Subject: Banks & Financial Institutions; Consumer Protection
Type: Original
Date: May 1, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Office of the Secretary of State–Securities Division**, the **Department of Economic Development–Division of Credit Unions** and **Division of Finance**, and the **Department of Insurance** assume this proposal would have no fiscal impact on their agencies.

In response to previous similar legislation, officials with the **Office of the Attorney General** and the **Office of the State Courts Administrator** assumed no fiscal impact to their offices due to the proposal.

Officials with the **Office of the Secretary of State (SOS)** assume the Divisions of Finance and Credit Unions will promulgate rules to implement this bill. Based on experience with other divisions, the rules, regulations and forms issued by the Divisions of Finance and Credit Unions could require as many as twelve pages in the Code of State Regulations. For any given rule, roughly half again as many pages are published in the Missouri Register as in the Code because cost statements, fiscal notes and the like are not repeated in Code. These costs are estimated. The estimated cost of a page in the Missouri Register is \$23.00. The estimated cost of a page in the Code of State Regulations is \$27.00. The actual costs could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded and withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal could have a direct fiscal impact on small financial institutions.

DESCRIPTION

This bill establishes requirements for compliance with the Federal Gramm-Leach-Bliley Act of 1999. The federal act adopts minimum standards prohibiting certain disclosures of nonpublic personal information by financial institutions to third parties and allows states to adopt more stringent rules. The bill allows any state agency that regulates financial institutions to adopt rules that are no more restrictive than the minimum standards established in the federal act. New customers as of July 1, 2001 must receive notice of the institution's privacy policy at the time the relationship is established. Existing customers must receive notice by June 30, 2002.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. The bill has an emergency clause.

SOURCES OF INFORMATION

Office of the Secretary of State
Securities Division
Administrative Rules Division
Department of Economic Development
Division of Finance
Division of Credit Unions
Department of Insurance

NOT RESPONDING

Office of the Attorney General
Office of State Courts Administrator



Jeanne Jarrett, CPA
Director

May 1, 2001